

**State of Texas
County of Bexar
City of San Antonio**



DRAFT

Meeting Minutes

City Council Special Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Tuesday, August 28, 2018

9:00 AM

Municipal Plaza Building

The City Council of San Antonio convened in the "B" Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call noting the following Councilmembers present:

PRESENT: 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage, and Perry

1. Staff presentation on the FY 2019 Proposed Budget focusing on, but not limited to, the following City Departments: [Sheryl Sculley, City Manager; Justina Tate, Director, Management and Budget]
 - A. Airport
 - B. Center City Development Office
 - C. Economic Development

AIRPORT

Russ Handy stated that the Airport System served to provide optimal air service and a phenomenal customer service experience. He noted that the department operated with an Enterprise Fund. He outlined Fiscal Year 2018 accomplishments and growth in annual passengers. He stated that there were currently 53 non-stop destinations and highlighted the investment by Frontier Airlines. He noted the completion of the Consolidated Rental Car

Facility (CONRAC), Short-Term Parking Garage, Stinson Municipal Airport Air Traffic Control Tower, and described ongoing projects. He stated that a new Strategic Plan was being developed including data-gathering efforts and public outreach. He described FY 2019 goals including improvements in Air Service; enhancing the customer service through concessions and the arts; and reaching community consensus on Phase I of the Strategic Plan. He stated that the proposed FY 2019 Budget totaled \$97.9 million and noted that the majority of revenue was generated from non-airline sources. He requested the addition of eight personnel to support enhancements to safety, security, and process improvements. He stated that major upcoming Capital Improvement Projects at the International Airport included terminal expansion, Terminal A renovations, fire alarm upgrades, paging modernization, and passenger boarding bridges. Lastly, he described proposed enhancements at Stinson Municipal Airport.

CENTER CITY DEVELOPMENT OFFICE

John Jacks stated that the Center City Development Office (CCDO) served to make Downtown a place where everyone wants to be. He noted that the department was divided into the Development Division and Leasing and Operations Division. He described activities in River Walk Operations; parking and transportation; and real estate, leasing, and development. He noted special events in 2018 including Tricentennial Events, the NCAA Men's Final Four, and the Rock 'n' Roll Marathon. He stated that the proposed FY 2019 Budget totaled \$32.6 million with \$11.2 in the Parking Enterprise Fund and \$3 million in the Market Square Enterprise Fund. He described proposed revenue enhancements from increased parking fees for special events. He stated that FY 2019 goals included maintenance of the River Walk as a world-class attraction; diversification of parking and transportation options with enhanced customer convenience; expansion of activation and events; and stimulation of economic development within Downtown and the surrounding area.

ECONOMIC DEVELOPMENT

Rene Dominguez stated that the department served to foster economic growth through collaboration and innovation for the continued prosperity of the community. He noted the use of equitable practices and alignment of City Council priorities and policies with community partners. He stated that the proposed FY 2019 Budget totaled \$15.2 million. He outlined the four department divisions: 1) Industry Development, 2) International Development, 3) Workforce Development, and 4) Small Business Development. He noted that a Return on Investment Study found a return of \$5.22 per \$1.00 invested in Industry Development. He described the department's primary partnership with the San Antonio Economic Development Foundation (SAEDF) with a proposed contract totaling \$670,000. He stated that San Antonio participated in the Global Cities Initiative to develop a framework for best practices in International Development and conducted Trade Missions to Israel and Germany. He noted the efforts of SA Works and the Small Business Economic

Development Advocacy (SBEDA) Program and stated that \$246 million was provided to SBEDA partners representing 49% of contract expenditures. He stated that the proposed allocation for LiftFund totaled \$250,000 to provide 0% interest loans to small businesses. He noted that Launch SA provided an Entrepreneurial Resource Center and connections to resource partners and recommended a five-year contract renewal at \$160,000 annually. He stated that FY 2019 priorities were to develop and pilot an inclusive Growth Strategy; finalize a data-driven approach to International Business Development; align Delegate and Workforce Agencies to provide meaningful career pathways; and establish and continue capacity in Small Business Programs.

Mayor Nirenberg asked of venture capital activity. Mr. Dominguez replied that San Antonio was on the lower end of venture capital compared to other cities but staff was pursuing growth strategies. Mayor Nirenberg expressed support for SBEDA efforts and asked of updates to the Inner City Reinvestment and Infill Policy (ICRIP) and Center City Housing Incentive Policy (CCHIP). Mr. Jacks replied that the programs were being enhanced with affordability and density requirements. Mayor Nirenberg expressed support for scaling back the Capital Improvements Program at the Airport and asked of anticipated capacity needs. Mr. Handy replied that morning and evening volume was approaching capacity and described efforts to alleviate issues with gate space.

Councilmember Pelaez requested additional data-gathering measures in the Airport System and asked of economic development efforts related to NAFTA. Mr. Dominguez replied that the department was coordinating with the Chambers of Commerce to examine recent developments in trade agreements with Mexico and develop an appropriate response. Councilmember Pelaez asked of efforts to close the gap on Class A Office Space Downtown. Lori Houston described the development of new office space that would become available in the near future. Councilmember Pelaez requested that staff and partners develop targets for development of same and asked why progress had not been made to secure additional venture capital. Mr. Dominguez replied that staff targeted industries that would attract venture capital rather than on venture capital itself. Councilmember Pelaez requested additional efforts and benchmarking for venture capital in other cities and expressed support for Lift SA, Launch SA, and Project Quest.

Councilmember Perry asked of San Antonio's fee comparison with other airports in Texas. Mr. Handy replied that San Antonio was priced competitively. Councilmember Perry asked whether landscape maintenance along the River Walk should be placed under contract. Mr. Jacks replied that it was beneficial for CCDO to maintain responsibility for grounds maintenance around the River Walk. Councilmember Perry expressed concern with proposed parking fee increases for special events. City Manager Sheryl Sculley stated that the Parking Enterprise Fund could be utilized to support development of a Multimodal Transportation Plan and noted that public rates would remain significantly lower than private

rate. Councilmember Perry suggested better public communication regarding ROIs on economic development and asked of the development of Opportunity Zones. Mr. Dominguez replied that the IRS had not yet issued guidelines for Opportunity Zones.

Councilmember Viagran expressed support for organizational collaboration to align Economic Development Goals, SBEDA Initiatives, and proposed improvements around Stinson Municipal Airport.

Councilmember Gonzales asked of efforts to address educational attainment and disengaged youth. Mr. Dominguez replied that staff was developing a framework to support training programs and investigating incentive agreements to encourage geography-based hiring. David Zammiello added that Project Quest utilized partner agencies to assist with GED attainment. Councilmember Gonzales expressed support for small business development.

Councilmember Courage asked of major partners in workforce development. Mr. Dominguez replied that they were SA Works and the workforce agencies of Goodwill Industries, Family Services, Chrysalis Ministries, Restore Education, Dress for Success, and Each One Teach One. Councilmember Courage expressed concern with the ROI for Project Quest and asked of future evaluation measures. Mr. Dominguez replied that the agency was monitored monthly for contract compliance and Project Quest was valuable due to its focus on training for targeted industry jobs and case management. He noted a longitudinal study that was conducted indicating good ROIs. Councilmember Courage asked of plans to expand Downtown Parking. Mr. Jacks replied that staff was focusing on multimodal transportation to reduce the need for parking and optimizing existing space as there was limited opportunity for expansion. Councilmember Courage expressed support for more affordable City Parking rather than competing with market rates.

Mayor Nirenberg excused himself from the meeting at this time and Councilmember Saldaña presided.

Councilmember Treviño expressed support for the expansion of arts programming at the San Antonio International Airport and asked of current airport capacity. Mr. Handy replied that it varied by time and day but averaged 70% and peaked at 90%. Councilmember Treviño asked of barriers to establishing an International Port of Entry at Stinson Municipal Airport. Mr. Handy replied that the proximity of San Antonio International Airport was a deterrent to Customs and Border Protection's willingness to add an additional Port of Entry. Councilmember Treviño asked that EDD staff pursue same and asked of efforts to encourage walking Downtown. Mr. Jacks replied that CCDO was investigating additional shaded coverage options, particularly along the River.

Councilmember Pelaez expressed support for development at Stinson Municipal Airport.

Councilmember Saldaña expressed support for de-incentivizing Downtown Parking and investigating more creative options to attract visitors. He thanked everyone for their presentations.

ADJOURNMENT

There being no further discussion, Councilmember Saldaña adjourned the meeting at 12:11 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK